

Illinois Commerce Commission
SBC/Ameritech Illinois Merger, Docket 98-0555
Performance Benchmarks Collaborative, Condition 30
Final Meeting Minutes From 7/11-12/2000
Modified and Approved 8/17/2000

The seventh Illinois Performance Measure Collaborative was held on July 11 and 12, 2000. The meeting was held at the James R. Thompson Center (100 W. Randolph St., Chicago, IL), in conference room 8-032. Participants also attended the meetings via a conference bridge. Following are the minutes and action items from that meeting.

Mr. McClerren, ICC Staff, presided over the meeting.

July 11, 2000

I. Introductions

- A. Staff, Ameritech Illinois, CLECs, Other Parties
- B. Sign up sheet, with contact name, address, phone & e-mail address

II. Administrative Matters

- A. Meeting Procedures
 - 1. Subject Matter Experts (SMEs) participation recommended
 - 2. Discussions “off the record” until final positions are developed
 - 3. Final positions, decisions, agreements, disagreements, documents to be documented
 - 4. Business casual attire

III. Review and approve meeting minutes from 6/6-7.

The review and approval of the meeting minutes was postponed until 7/12 due to the late distribution of the minutes.

IV. Status of SBC/Ameritech Waiver Request (FOC Issue).

The status hearing in Docket 00-0238 established the following schedule:

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|----|----------------------------------|---|--------------|
| A. | SBC/Ameritech Direct Testimony | - | August 25 |
| B. | Staff/Intervenor Testimony | - | September 22 |
| C. | SBC/Ameritech Rebuttal Testimony | - | October 20 |
| D. | Hearings | - | November 2 |

Official Interveners in Docket 00-0238: AT&T, NextLink, MGC Comm., WorldCom, State of IL (Attorney General). McLeodUSA is in the process of signing in. CLECs would rather settle it outside. Account reps will meet with customer to listen to concerns. All parties need to agree/settle in order for the docket to close.

Sal Fioretti, SBC/Ameritech, expressed his concern that other parties are not actively participating in the efforts. People interested in participating with the FOC issue effort should contact either Sal or Karen.

There was a considerable amount of discussion about the performance measurement of order completion, and whether if the clock started when the CLECs submitted the order (using the time stamp of EDI) or when SBC/Ameritech returned a FOC (using the application date). Both parties verified and finalized that the clock for the performance measurement would start at the moment the CLEC's order was submitted.

Flow through and FOC response times are interconnected in the performance measure view, because increased percentages in flow-through ultimately result in quicker FOC response times. Sal Fioretti stated that the FOC response time measurement would be disaggregated into manually processed, electronically processed, and electronically processed with flow-through. SBC/Ameritech's proposal for response intervals were as follows:

- 2 hours for electronically processed with flow-through
- 5 hours for electronically processed
- 8 hours for manually processed

AT&T expressed their dissatisfaction with the 8 hour window for manually processed orders. SBC/Ameritech stated that it was hard for them to determine which products to focus their efforts of flow-through, due to the continually evolving market and corresponding changes of product order information. But upon inquiry, SBC/Ameritech's current priorities for pursuing flow-through are in the product areas of unbundled loops, some DSL, LNP and platform.

In terms of performance measurement, Sal Fioretti has agreed to return to the next meeting with a specific proposal on the standards of flow through for CENTREX, LNP, DSL loops, UNE loops, UNE platform, and loops with LNP. Updates on the proposal will be made at the Ohio collaborative.

In contrast with the Texas region, Ameritech stated that they can not accurately pin-point flow-through failures due to the different processes that take place between different system components.

Flow through varies as follows:

- 15.6 - 37% for UNEs
- 67 - 76% for Resale
- .8 - 87% for Other

They are only capable of having a high-level view of the problem.

McLeodUSA and SBC/Ameritech are currently undergoing discussion on changes to CENTREX. Changes will be updated to the group at the next meeting in August.

There has been misunderstanding between the two collaborative sessions, the Condition 29 OSS collaborative and the Condition 30 Performance Measures collaborative, as to which party is supposed to address the subject of flow through. Sal Fioretti will meet with Tim Gilles, an SBC/Ameritech representative active in the OSS collaboratives, to decide the possibility of a joint collaborative session on how the flow through issues should be handled in the future.

CLECs have also agreed that address validation is a high priority issue to them. Discussions will continue about how they will go about measuring this and see how the process can be improved.

Raw Data

Reference was made to Texas, where they will have a discussion about what sort of raw data information the CLECs would be receiving. As of now, raw data is not standard across the 13 state region. CLECs are highly interested in obtaining raw data so they can reconcile reports and examine the breakdown of their data individually.

V. Gaining access to performance measures.

Sal Fioretti stated that no party has signed the interconnection amendment as of yet. There are currently five companies (AT&T, Corecomm, McLeod, Sprint and WorldCom) are still negotiating the amendment. SBC/Ameritech stated that if a party signed the amendment today(7/11/00), remedies would be paid during September.

Geographical Breakout

Illinois is going to be disaggregated into four geographical areas primarily for measures 27-69. The areas are Chicago, Suburban, Upstate, and Downstate. Mr. McClerren requested that SBC/Ameritech provide the collaborative group a map representing the four areas in Illinois at the meeting in August.

Mr. McClerren also requested that SBC/Ameritech provide an updated set of business rules for measures 55-122 prior to the August 16-17 meeting that would reflect the Illinois collaborative's accomplishments. This updated set of business rules will require CLEC review and approval prior to final posting on the Commission's web site.

VI. Business Rules for Performance Measures 55 - 78.

55

SBC/Ameritech stated that it believes that partials are included. They will follow up on this.

SBC/Ameritech will confirm if the INP listed was a typo, and if it should have been LNP instead. INP service is not offered anymore.

SBC/Ameritech proposed that they include projects in the exclusions. Sal Fioretti made references that this was the common practice exhibited in California. The definition of project has been defined at the FOC

measures (measurement 5) in Ohio, which are orders with loops greater than 100 or CPO/resale greater than 250.

Efforts will be made to stay as up to date with Texas as possible.

The benchmark will be parity with retail. Sal will verify this fact.

55.1

Correction in "definition" section. Average calendar days changed to average business days.

Question arose about what would happen to the performance measurement if an installation occurred on Saturday, and the measure only counts business days. Sal will respond to the question.

57

Loop makeup information will be available manually or via email.

57.1

Because response times would be generally similar, SBC/Ameritech saw no need to have levels of disaggregation for different types of xDSL.

July 12, 2000

Meeting Minutes from 6/6-7/00 were reviewed and approved. In section IV.B.1., DSLAM will be added to DS1/DS3, which is already documented on the minutes. There was also discussion about the status of the draft attachments. The draft attachments did not reflect the actual documents distributed at the June collaborative.

58

Currently, partial deliveries count as missed due dates. Sal Fioretti has agreed to investigate this matter further.

In the case a due date is missed, another FOC issued, and the due date is missed again, this counts as one order and one miss, but the delay will be measured from the first due date.

Sprint requested disaggregation of #56 or #58.

SBC/Ameritech will review the DSL disaggregation with Texas. Mr. McClerren noted that Texas is not binding on the Illinois collaborative. Mr. Fioretti indicated he will come back with a disaggregation recommendation..

An email will be sent out on the status of 8db loops.

59

There is still an issue between the circuit level and the order level (8db loops).

SBC/Ameritech will not include broadband service products until the definition is clear.

60

Any of the five steps that does not occur would be counted as a facility miss.

In the levels of disaggregation, the days are labeled calendar days rather than business days because once a due date is missed, SBC/Ameritech would try to reschedule as soon as possible, whether it be a weekend or weekday.

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61

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SBC/Ameritech has agreed to do geographic disaggregation. They will verify this fact.

SBC/Ameritech will bring a map representation of the four geographical sections to the August meetings.

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66

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In response to Sprint's request that SBC/Ameritech should include all the other products from measurement 56 in the 66 measurement, SBC/Ameritech replied that most of them were a Central Office based problem.

67

SBC/Ameritech will not include broadband service products until the definition is clear.

SBC/Ameritech stated that it would never disaggregate in respect to reason codes or type of restoration.

That specific data is included in the raw data, and CLECs will be able to get it through EBTA.

68

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69

The clause written by Sprint has been deleted.

70

SBC/Ameritech stated that they might be able to have the level of disaggregation be state specific, but they feel like there is no point. CLECs disagree, and stated that there was no way a 1% block for a trunk route would ever appear in a state scope.

AT&T and SBC/Ameritech will be scheduling a conference call with trunk SMEs. SBC/Ameritech will send an email out to the distribution list, and the difference between measurement 70 and 71, (interconnection vs. common transport) among other things, will be handled.

70.1

SBC/Ameritech disagreed with exclusions, noting that an audit should cover the measure. This proposal was made in Texas but not agreed to.

71

The source of the “state standard of 3%” in the benchmark section was discussed. (After lunch, Mr. McClerren reported that the 3% does not appear to be based on Illinois Code Part 730, which calls for a 2% trunk blocking limit).

73

In calculation, the measurement is total trunk circuits installed rather than total trunk circuits ordered.

SBC/Ameritech stated that this was a traditional network measure.

SBC/Ameritech stated that they will look up the parity reference.

78

The phrase “regardless of whether facilities are available” was discussed. SBC/Ameritech will investigate to see if this is the current method of operation.

VII. Proposed Penalty Mechanisms.

Sprint, SBC/Ameritech, AT&T and WorldCom presented proposed remedy plans.

Sprint distributed a handout titled “Generic Sprint Performance Incentive Plan” which provided a graduated set of penalties, depending on the size of the miss and whether or not it is chronic (missed for three consecutive months or more). Sprint has serious reservations about the penalty payments to government or industry funds. Sprint also proposes a monthly cap based on the number of access lines within the state.

SBC/Ameritech’s plan was based on the Performance Remedy Plan in SWBT’s T2A Interconnection Agreement. An updated T2A is available on TC/Net. They are currently working to adapt this plan to the Ameritech region, and it is currently implemented in Texas. Per plan, SBC/Ameritech will pay remedies to CLECs, State, and Federal Governments. The plan has different Z tests, depending upon whether or not it is a benchmark measure, a parity measure with less than 30 observations, or a parity measure with more than

30 observations. Out of 704 different submeasures, 480 may generate remedies. SWBT penalties, since Oct. '99, were \$1.7 million.

AT&T indicated that a penalty plan should incent SBC/Ameritech to perform. AT&T stated that they disagree with the SWBT plan in its entirety. OSS improvements out over a year delay the effectiveness of the plan. The SWBT plan is very complicated with heavy reliance on statistical analysis. All of the risk is on the CLECs. AT&T would like the penalty mechanism to be one that is simple to administer. Benchmarks should be a bright line - either make it or miss it. Finally, the per measure cap obviates the per month cap.

WorldCom indicated that the per occurrence cap keeps the penalty low at first. The size of the remedy should compensate for more than the cost of the loop or service and also (1) reflect the CLECs reputation and delayed economic return by slowing market entry. In addition, the remedies must be significant enough to act as a counterweight to the ILECs potential retention of existing local and future xDSL and long distance profits. According to an analysis done by WorldCom consultant John Jackson, Auburn University Professor, and former Senior Economist George Ford (now with Z-Tel), SBC/Ameritech would retain considerable profits if it slowed competitive growth by 10% off a 30% gain over 10 years as achieved by new competitors against AT&T when long distance competition began. If competitive interference from SBC/Ameritech kept the share at 20% over the next 10 years, the impact on profits in Illinois alone would enable SBC/Ameritech to retain profits of \$170 million in local and \$595 million in local, xDSL, and long distance combined. This assumes 5% annual line growth and profits of \$5 per line for local, \$10 per line for xDSL and \$2.50 per line for long distance.

WorldCom also expressed frustration with the "K table" that SWBT proposed, which maintains that 5% of failures were not due to random processes and not discrimination no matter how high the statistical significance confidence level or actual percentage difference in performance. WorldCom also noted that per occurrence remedies are inadequate to the task of opening markets or providing a sufficient incentive for an ILEC to expend resources and capital to fix the problem. For example, a CLEC may be paying Ameritech \$3000 or \$4000 per month per collocation. Per occurrence remedies would never cost SBC/Ameritech a significant amount of money to gain attention to the problem because the CLEC would never chance further harm to its reputation by increasing the number of orders. In fact, in light of the recurring costs for collocations SBC/Ameritech may even retain more income from CLECs than the cost of its remedies for loop metric failures paid to CLECs.

Mr. McClerren asked the CLECs if there was any chance their proposals could be combined into one plan. Karen Moore of AT&T indicated that, while it might be difficult, they would discuss the idea at their next CLEC call.

SBC/Ameritech has promised to look into how much they would have owed the last three months under their proposed plan - to the CLECs and to the State of Illinois.

VIII. Set interim July dates, as well as September meeting dates.

A CLEC conference call will take place on August 1, 2000, from 1 PM to 3PM CDT, to discuss performance measures 27 - 54. Janeen Sanders from WorldCom will compile the marked up rules. Karen Moore from AT&T will have Bob Klipstein from AT&T set up the conference call. Janeen will transmit the marked up rules for measures 27-54 to Sal Fioretti by the end of the business day on August 3, 2000. Another conference call will be held on August 9, 2000, at 9 AM CDT, with Sal Fioretti seeking clarification on the marked up rules prior to the next collaborative meeting on August 16-17.

The dates for the September meeting were set for September 19-20, 2000.

Sal Fioretti has agreed to deliver business rule documentation that will reflect the information in columns 3 and 4 of the matrix. This will be available before the August meetings.

The 300-day clock, per the Commission Order in 98-0555, ends on August 4, 2000.